

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1282 - HB 1836

March 17, 2011

SUMMARY OF BILL: Exempts any handgun carry permit applicant from paying the \$115 application and processing fee if the applicant has successfully completed all handgun training of not less than four hours as required by any branch of the military.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$42,500/Recurring/Department of Safety
\$7,500/Recurring /Tennessee Bureau of Investigation
Forgone State Revenue – \$1,275,000/Every Four Years /DOS
\$225,000/Every Four Years/TBI**

**Increase State Expenditures – \$579,000/FY11-12/General Fund
\$106,400/FY12-13 and Subsequent Years/General Fund**

**Decrease Local Revenue – \$7,500
Forgone Local Revenue – \$225,000**

Assumptions:

- According to the Department of Safety (DOS), there are approximately 500 military applicants per year who use military handgun training to meet the requirement for training.
- The state receives \$100 of each permit fee with DOS receiving \$85 and the Tennessee Bureau of Investigation (TBI) receiving \$15. Local sheriffs receive \$15.
- A recurring decrease in state revenue of \$42,500 (\$85 x 500) for DOS and \$7,500 (\$15 x 500) for TBI.
- A decrease in local revenue of \$7,500 (\$15 x 500).
- A permit is valid for four years.
- Based on information from DOS, up to 15,000 new applicants will apply for handgun permits who would have otherwise not applied in any four-year period. Forgone state revenue will be \$1,500,000 (\$1,275,000 DOS + \$225,000 TBI) and forgone local government revenue will be \$225,000 local every four years.
- Background checks cost \$48 per applicant. Approximately 70 percent will apply the first year and 10 percent each year thereafter. An increase in state expenditures of \$504,000 (15,000 applicants x 70% x \$48) for background checks in FY11-12. A recurring

increase in state expenditures in FY12-13 and subsequent years of \$72,000 (15,000 applicants x 10% x \$48).

- DOS will require two temporary employees to process the increase in applicants in FY11-12 and one full-time employee to process the recurring increase in applicants.
- An increase one-time state expenditures of \$35,000 (\$17,500 x 2 employees) for temporary employees.
- An increase in recurring state expenditures of \$34,359 for one full-time employee (\$20,616 salary + \$10,243 benefits + \$3,500 operational). An increase in one-time expenditures of \$5,600 for computer, telephone, and office supplies.
- A total increase in expenditures in FY11-12 of \$578,959 (\$5,600 + \$34,359 + \$35,000 + \$504,000).
- An increase in recurring state expenditures beginning in FY12-13 of \$106,359 (\$34,359 + \$72,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/jaw